

JOE WARDY
MAYOR



CITY COUNCIL

SUSAN AUSTIN
DISTRICT NO. 1

ROBERT A. CUSHING, JR.
DISTRICT NO. 2

JOSE ALEXANDRO LOZANO
DISTRICT NO. 3

JOHN F. COOK
DISTRICT NO. 4

DANIEL S. POWER
DISTRICT NO. 5

PAUL J. ESCOBAR
DISTRICT NO. 6

VIVIAN ROJAS
DISTRICT NO. 7

ANTHONY W. COBOS
DISTRICT NO. 8

SPECIAL CITY COUNCIL MEETING
COUNCIL CHAMBERS
AUGUST 28, 2004
9:30 A.M.

The City Council met at the above place and date at approximately 9:38 a.m. Mayor Joe Wardy present and presiding and the following Council Members answered roll call: Robert A. Cushing, Jr., Jose Alexandro Lozano, John F. Cook and Anthony Cobos. Late Arrival: Susan Austin arrived at 9:38 a.m.; Vivian Rojas arrived at 9:40 a.m. and Paul J. Escobar arrived at 10:01 a.m. Mayor Wardy left at 10:24 a.m. Absent: None.

AGENDA

1. Discussion and action on the FY 2004-2005 Proposed Budget for the City of El Paso.
2. The City Council of the City of El Paso will retire into **EXECUTIVE SESSION** pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Chapter 551, Subchapter D, to discuss and take action on any of the following: (The items listed below are matters of the sort routinely discussed in Executive Session, but the City Council of the City of El Paso may move to Executive Session any of the items on this agenda, consistent with the terms of the Open Meetings Act.)

Section 551.071	CONSULTATION WITH ATTORNEY
Section 551.072	DELIBERATION REGARDING REAL PROPERTY
Section 551.073	DELIBERATION REGARDING PROSPECTIVE GIFTS
Section 551.074	PERSONNEL MATTERS
Section 551.076	DELIBERATION REGARDING SECURITY DEVICES
Section 551.087	DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Mayor Joe Wardy opened the meeting and explained that Mr. Bill Chapman will be giving a presentation to address the community's concerns.

Mr. Bill Chapman, Deputy Chief Administrative Officer of Financial and Administrative Services, presented a PowerPoint Presentation (on file in the City Clerk's Office) and answered questions from Council Members.

Representative Cushing asked for clarification on what triggers the state requirement to publish in the newspaper the notice of public hearing for a City's property tax rate.

Representative Lozano questioned what the extra revenue money would be used for.

Representative Cushing questioned if the total tax revenue included tax refunds, Mr. Chapman answered no. Representative Cushing questioned the total debt levy, the 2000 Quality of Life Bonds, and Certificates of Obligation.

Representative Austin and Cushing questioned calculations in the PowerPoint presentation.

Representative Lozano questioned how the Central Appraisal District (CAD) decides to raise the property values.

Mayor Wardy clarified that the City has no say on the operations of the Central Appraisal District (CAD) and that the City did not give any input on the increase of property valuations from the CAD. The City does have two members of Council as CAD board members.

Representative Austin questioned if the percentage increase in property valuation is across the board for all properties in the city, whether residential or commercial. Mr. Chapman said he'd obtain that information from the CAO.

Representative Cushing and Rojas commented on the discussion held at the CAD board meetings and explained that the CAD is governed by state law and that there is a formula to compute property values.

Representative Cushing suggested that the M&O (Maintenance and Operation) rate gets reduced by \$1 million so that the City's tax rate growth remains consistent. That way, it will not trigger the newspaper publication of the public hearing notice of the City's property tax rate.

Mr. Chapman cautioned Council regarding a reduction to the M&O rate.

Representative Austin asked further questions regarding the M&O rate.

Mr. David Almonte, Director of Office of Management and Budget, distributed a spreadsheet of the proposed budget changes (on file in the City Clerk's Office) and discussed the changes.

Representative Cushing asked questions regarding projects being funded with next year's budget.

Public comment was as follows:

Ms. Patricia Wickham, Vice-President of the Library Board, spoke in support of funding the libraries.

Ms. Jennie Block, citizen who owns commercial property in downtown Sunset Heights, spoke in opposition to a tax increase and explained that she invested in this property for retirement but has been struggling to pay property taxes and unable to raise rents as she serves a poor area of the City.

Mr. Robert Bonney, citizen, spoke in opposition to a tax increase and stated that his property value went up by 14%. He cautioned Council that the property value average increase is not accurate; he requested that Council keep the budget as lean as possible.

Mr. James Sienkiewicz, Classification and Compensation Manager for the City, spoke in opposition of the staffing cuts in the Human Resources Department. He distributed a handout to Council that detailed important classification functions performed by the section he heads currently (on file in the City Clerk's Office).

Mr. Frank Delgado, President of the City Employees Association and taxpayer, requested that Council look into contracted out services and have City staff perform these services in house. He gave the example of Perspectiva. He questioned the fund balance figures.

Representative Austin questioned if the libraries are being funded considerably more this year than last year.

Mr. Almonte responded that the library funding is increasing this year by \$261,000 and that the projected restricted fund balance is \$17 million.

Representative Cook questioned if the bond rating would be affected by the use of the fund balance.

Representative Lozano questioned the use of the fund balance.

Mr. Chapman answered that the City's bond rating is affected by the amount available in the fund balance.

Representative Rojas questioned how much money of last fiscal year's fund balance was used this fiscal year.

Mr. Chapman and Mr. Almonte answered that approximately \$15 million have been used to fund this fiscal year.

Ms. Lisa Turner, citizen, recommend reducing the Mayor's staff by four positions, deleting the \$620,000 in discretionary funds, renting the Greater Chamber of Commerce for more than the current \$1 per year, deleting the \$20,000 in City Attorney subscriptions, deleting health insurance benefits for elected judges, deleting Project Arriba funding, cutting the cell phone contract by 60% from the current \$750,000 per year, and deleting the Trial Judge Supervisor position. She stated that this is more than the needed \$1 million dollars, as suggested.

Mr. Albert Jefferson, citizen, questioned the fund balance, the contingency funds and how department heads submit their budgets.

Mr. Almonte responded to Mr. Jefferson's questions.

Mr. Raul Garcia, citizen, questioned how much revenue the City gets from traffic tickets and requested that a payment plan be established for people to pay tickets. He then questioned the user fees for parks and recommended to increase events at City parks.

Ms. Richarda Duffy Momsen, Municipal Clerk, responded that approximately \$22-\$23 million for the fiscal year comes from traffic tickets and that some of it goes to the state for court costs and about \$15 million goes to the General Fund to fund City services. She proceeded to explain that there is currently a ninety-day payment plan that offer to all persons who respond on time for their citations.

Ms. Angela Przepasniak, volunteer for the Library, spoke in favor of funding the libraries.

Mr. Larry Herrin, citizen, spoke in opposition to a tax increase and complained about the Central Appraisal District and how his property value has dramatically increased.

Representative Rojas stated that she is a member of the Central Appraisal District Board. She stated that she and Representative Cushing have requested that their board meetings be televised. The CAD's response has been that there is no public interest, as citizens never attend the meetings. She also explained that citizens may appeal the CAD's valuation.

Representative Cushing explained the CAD's review process and requested that the citizens become more involved in the process and attend the board meetings. He offered his assistance to Mr. Herrin to appeal to the CAD.

Representative Lozano commented that he intends to promote a state tax freeze for the disabled and the elderly.

Mr. Ray Gilbert, citizen, spoke in opposition to the tax increase and requested that the two Council Members who are CAD board members resign if they have no power on the board. He commented on the published notices of the City of El Paso's effective tax rate for 2004. He expressed his concern regarding the calculation for the debt levy.

Representative Austin asked for Mr. Gilbert's suggestion on the Quality of Life Bonds approved by the voters where it indicated that there would be a tax increase. She also questioned if there is a cap on the amount of commercial paper that the City can issue. Mr. Chapman answered yes, there is a cap.

Mr. Gilbert recommended that the City manage better the issuance of commercial paper and long-term debt and when to use it. Commercial paper should only be used at the time that the construction projects are ready to commence.

Ms. Maria Auguste, citizen, spoke in opposition to the tax increase. She requested that City services be improved to make up for the tax increase.

Representative Rojas urged Ms. Auguste to also contact her State Representatives as well to address some of the issues as many policies are developed and approved at the State level.

Mr. Albert C. Smith, citizen, commented on the Quality of Life projects and in opposition of the tax increase.

Ms. Dorothy McGill, citizen, protested the tax rate. She complained about the City bureaucracy and about Council's ineffectiveness in handling the budget.

Ms. Theresa Caballero, citizen, requested that Mr. Chapman be fired. She recommended that Representatives Cushing and Rojas quit as board members of the CAD if they do not have any power. She also demanded that no more long-term debt be issued to fund projects if the City does not have the means to pay for it.

Mr. Bill Arballo, AFSCME Local 59, suggested that the City hire a Civil Service Advocate. He spoke in opposition of duplication of services performed by City employees and recommended that the Human Resources positions in individual City departments be eliminated. Mr. Arballo recommended that the City consolidate departments; cross-train and multitask; and conduct a classification study. He suggested that supervisory positions be eliminated. He cited five levels of supervisors in the Police Department's Abandoned Auto Section as excessive supervision.

Ms. Terry Bond, Human Resources Director, clarified that all departments have a payroll clerk that processes the personnel paperwork for that department's employees; however, there is no duplication of duties. She also clarified that there is only one Human Resources Manager who handles 600 employees at the El Paso Water Utilities Public Service Board, which has its own budget and is not included in the City's budget.

Mr. Ruben Ramirez, citizen, spoke in opposition to the tax increase and requested that Representatives Cushing and Rojas resign from the CAD board, as they have no power.

Representative Cushing and Rojas explained that all government entities are required to have two members on the CAD board.

Representative Cobos encouraged Representatives Cushing and Rojas to remain in the board and to continue to "fight the good fight".

Representative Lozano explained that out of the \$1.00 in taxes that taxpayers pay, only \$0.28 goes to the City.

Representatives Cushing and Lozano recommended that Mr. Ramirez contact the other taxing entities as well to voice his opposition to tax increases.

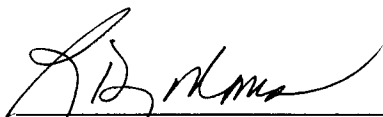
Mr. David Almonte, Director of Office of Management and Budget, explained and enumerated the proposed major changes to Mayor's FY05 Proposed Budget (on file in the City Clerk's Office) and answered questions from Council Members.

Representative Cook requested a redline version of the proposed changes so that variances can be easily identified.

Representative Austin questioned some of the amounts under the workers' compensation and overtime accounts.

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Motion made by Representative Cushing, seconded by Representative Lozano and unanimously carried to adjourn this meeting at 1:38 p.m..
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APPROVED AS TO CONTENT:



Richarda Duffy Momsen, City Clerk